

Agency Proposed Budget

The following table summarizes the total executive budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	81.68	(0.73)	0.00	80.95	(0.73)	0.00	80.95	80.95
Personal Services	3,285,424	475,472	0	3,760,896	475,109	0	3,760,533	7,521,429
Operating Expenses	561,260	48,297	0	609,557	15,955	0	577,215	1,186,772
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$3,846,684	\$523,769	\$0	\$4,370,453	\$491,064	\$0	\$4,337,748	\$8,708,201
General Fund	3,408,893	575,943	0	3,984,836	543,238	0	3,952,131	7,936,967
State/Other Special	341,095	(58,343)	0	282,752	(58,343)	0	282,752	565,504
Federal Special	96,696	6,169	0	102,865	6,169	0	102,865	205,730
Total Funds	\$3,846,684	\$523,769	\$0	\$4,370,453	\$491,064	\$0	\$4,337,748	\$8,708,201

Agency Description

The Montana School for the Deaf and Blind, located in Great Falls, operates under the authority of 20-8-101 through 121, MCA, is part of Montana's educational system, and is under the policy and governance of the State Board of Public Education. The school is to be a day school with a residential option for children and adolescents whose hearing or sight is a barrier to receiving proper education in the public schools of the state. The school is also to provide outreach educational services and serve as a resource center for parents of deaf and blind children, as well as state public schools and organizations that serve sensory impaired children. Their goal is to allow their students to attain the attitude, understanding, skill, ability, and knowledge to become contributing members of society.

Agency Highlights

School for the Deaf & Blind Major Budget Highlights	
<ul style="list-style-type: none"> The executive, with minor exceptions, proposes no changes to the budget except statewide present law adjustments <ul style="list-style-type: none"> Present law adjustments increase the general fund by \$0.9 million over the 2005 biennium, due mostly to a workers' compensation premium increase of \$318,000 Termination of Montana Telecommunications Access Program funds A permanent elimination of .73 FTE 	
Major LFD Issues	
<ul style="list-style-type: none"> Possible research projects Possible impact of equitable school funding changes 	

MSDB executes its mandated duties with 80.95 FTE and four programs: administration, general services (grounds and buildings), student services (residential), and education.

In FY 2004 MSDB served a total population of 2,418, a 16 percent increase over the 2,082 served in FY 2003. The population served includes students enrolled in the education program, individuals receiving educational and

audiological evaluations, outreach programs serving families and public schools, summer and weekend programs, professional development, and staff training.

The executive is recommending a total biennial budget increase of \$915,000 over the 2005 biennial budget, primarily due to an increase in personal services of \$860,000 that comprises a \$121,000 lump sum adjustment for the aggregate positions of substitute teachers, interpreters, and teaching assistants, statewide adjustments and vacancy savings, and a \$415,695 workers' compensation premium. The school's total operating expenses over the biennium increase by \$55,000 because of present law adjustments and decision packages that reduce the use of the general fund by \$20,400. The largest adjustments occur in the education and student services programs, which employ 71.95 FTE of the agency's 80.95 total FTE. There is further discussion on this in the education program.

LFD COMMENT

The School for the Deaf and Blind was assessed a workers' compensation premium of \$415,695 over the biennium, which averages \$5,100 for each of the 80.95 FTE. The increase is based upon a formula reflecting claims for injuries. The school's premium was \$60,000 in FY 2002, \$77,000 in FY 2003, and \$97,800 in FY 2004. Estimated premiums for FY 2005 to FY 2007 range from \$203,000 to \$212,000, impacting the agency's biennial premium with a \$318,000 increase.

Because of its 24/7 nature of program delivery, the residential program and day school (10-8-101 – 102, MCA), as well as extensive outreach services, the school's educational programs are staff intensive. Additionally, the school responds to social and employment issues in conjunction with other agencies working on common issues, such as:

- DPHHS, birthing facilities, and audiologists on the process of tracking children with hearing loss
- County, state, and federal agencies to secure employment for self-sustaining persons upon graduation from the school
- Vocational Rehab and/or Blind and Low Vision Services on the transition of students upon graduation to prepare them for the workforce and independent living
- School districts throughout the state to ensure quality services to sensory impaired children enrolled in public schools

The school's outreach program and consulting services to public schools and families is growing while the number of children using the residency service is declining. In FY 2002, 42 students were in the residency program and individuals receiving other services totaled 1,246. In FY 2004, there were 37 students in residency and other services totaled 2,381. This trend reflects the philosophy of this school and statewide public schools to keep children in their communities and homes whenever possible. In accordance with 20-8-102 and 107, MCA, the school is allowed to collect a consultation fee from public schools or agencies they assist on behalf of a hearing or visually impaired student. The school may also collect a sum from each child enrolled in the school who is not a Montana resident. The fees are deposited into a state special revenue account that is statutorily appropriated to the Montana School for the Deaf and Blind. Fees are a minimal source of revenue, having ranged from \$6,000 to \$9,000 from 2000 through 2004.

Funding

The following table summarizes funding for the agency, by program and source as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding					
2007 Biennium Executive Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration Program	\$ 700,812	\$ 878	\$ -	\$ 701,690	8.1%
02 General Services	821,452	-	-	821,452	9.4%
03 Student Services	2,259,382	-	58,222	2,317,604	26.6%
04 Education	4,155,321	564,626	147,508	4,867,455	55.9%
Grand Total	<u>7,936,967</u>	<u>565,504</u>	<u>205,730</u>	<u>8,708,201</u>	<u>100.0%</u>

The school's programs are funded primarily from the general fund, augmented by federal funding from Individuals with Disabilities Education Act, the school lunch program, the Early Childhood Intervention Act, and Medicaid reimbursement. It also receives about \$280,000 per year from the school trust interest earnings that are listed in state/other special revenue. This biennium, \$58,000 is removed from the state special revenue category to adjust for a decrease in the school land trust income.

**LFD
ISSUE**

Components within the educational delivery for sensory impaired children might lend themselves to cost reduction while maintaining educational services

As stated, the school has shifted from primarily a campus-based educational delivery system to one that includes more outreach programs to provide services to children within their own communities and school districts. Statewide public schools, DPHHS, Job Service Centers and workforce development programs of the Department of Labor and Industry, hospitals, audiologist clinics, and advocacy programs for disabled citizens are also involved in services for the population served by the school throughout Montana.

Legislators may want to investigate possibilities of partnerships with other agencies and non-profit organizations working on similar issues.

One potential approach is to investigate possibilities of sharing staff, space and expertise, while making maximum use of the Montana School for the Deaf and Blind facility; research and development of new funding sources; and the possible development of a data base of regional experts that could be used on a contract basis for services related to:

- 20-8-102(2), MCA, which requires the school to serve as a consultative resource for parents of, and public schools enrolling, hearing impaired or visually impaired children
- 20-8-102(3), MCA, which requires the school to maintain a system for tracking these children from the time of impairment through the child's exit from intervention or educational services
- 10-8-116 and 20-8-104, MCA that require the school to assist in locating suitable employment for hearing or visually impaired persons in attendance at the school in consultation with county, state, and federal agencies and with the Department of Public Health and Human Services; work with federal programs, such as Social Security and reemployment for those out of work; develop and offer continuing education programs of a vocational nature for the hearing and visually impaired who use the campus and facilities of the school during the summer months and other times when the school facilities are not being used by its students

Option A – Direct staff to investigate and report to an appropriate legislative interim committee.

Option B – Request that the Legislative Finance Committee consider undertaking this project during the 2007 biennium.

Option C – Introduce legislation to undertake a legislative branch study of this issue.

Option D – Take no action

**LFD
ISSUE**

The Supreme Court's recent decision on equitable school funding could potentially impact the school's budget and the general fund

There are legislatively assigned obligations attached to the School for the Deaf and Blind that may be impacted by the Supreme Court decision. The resulting definition of quality education and its delivery could cause expenditures and programmatic changes as the school responds to meet the new standards or definitions. Additionally, the residential component of the school may be impacted as it relates to the total education of a child with sight and hearing disabilities depending upon the definition of quality education related to community culture, social, and employability skills.

In preparation for this possibility and impact on the general fund, legislators may want to establish a reporting process through which the School for the Deaf and Blind responds to the results of any studies undertaken and explains impacts relative to 20-8-102(4), MCA, which requires the school to "furnish and provide an education for the hearing and visually impaired children commensurate with the education provided to non-handicapped children in the public schools."

Some items that the legislature may want to include in this reporting process to gauge impacts are:

- Accreditation and standards
- Parity for licensed professional staff with peers in public schools
- Replacement / improvement of education technology, books and materials, and the educational library
- Adequate maintenance of school facilities to ensure provision of educational services
- Possible increase in requests for MSDB staff consultations to public schools serving students with sight and hearing disabilities to ensure quality education is maintained

Biennium Budget Comparison

The following table compares the executive budget request in the 2007 biennium with the 2005 biennium by type of expenditure and source of funding. The 2005 biennium consists of actual FY 2004 expenditures and FY 2005 appropriations.

Budget Item	Present Law Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	Present Law Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Biennium Fiscal 04-05	Total Exec. Budget Fiscal 06-07
FTE	80.95	0.00	80.95	80.95	0.00	80.95	81.68	80.95
Personal Services	3,760,896	0	3,760,896	3,760,533	0	3,760,533	6,661,571	7,521,429
Operating Expenses	609,557	0	609,557	577,215	0	577,215	1,131,679	1,186,772
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$4,370,453	\$0	\$4,370,453	\$4,337,748	\$0	\$4,337,748	\$7,793,250	\$8,708,201
General Fund	3,984,836	0	3,984,836	3,952,131	0	3,952,131	6,916,681	7,936,967
State/Other Special	282,752	0	282,752	282,752	0	282,752	683,177	565,504
Federal Special	102,865	0	102,865	102,865	0	102,865	193,392	205,730
Total Funds	\$4,370,453	\$0	\$4,370,453	\$4,337,748	\$0	\$4,337,748	\$7,793,250	\$8,708,201

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	258,906	(1,117)	0	257,789	(1,143)	0	257,763	515,552
Operating Expenses	71,756	34,147	0	105,903	8,479	0	80,235	186,138
Total Costs	\$330,662	\$33,030	\$0	\$363,692	\$7,336	\$0	\$337,998	\$701,690
General Fund	330,662	32,591	0	363,253	6,897	0	337,559	700,812
State/Other Special	0	439	0	439	439	0	439	878
Total Funds	\$330,662	\$33,030	\$0	\$363,692	\$7,336	\$0	\$337,998	\$701,690

Program Description

The Administration Program staff provides purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Highlights

Administration Program Major Budget Highlights	
<ul style="list-style-type: none"> The executive requests no changes except statewide present law adjustments. 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Administration Program						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 General Fund	\$ 330,662	100.0%	\$ 363,253	99.9%	\$ 337,559	99.9%
02000 State/Other Special Rev. Funds	-	-	439	0.1%	439	0.1%
Grand Total	<u>\$ 330,662</u>	<u>100.0%</u>	<u>\$ 363,692</u>	<u>100.0%</u>	<u>\$ 337,998</u>	<u>100.0%</u>

The administrative program is funded with general fund and less than \$1,000 per year from the school's land trust earnings.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2006-----					-----Fiscal 2007-----						
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					9,624					9,598	
Vacancy Savings					(10,741)					(10,741)	
Inflation/Deflation					(581)					(581)	
Fixed Costs					34,728					9,060	
Total Statewide Present Law Adjustments					\$33,030						\$7,336
Grand Total All Present Law Adjustments					\$33,030						\$7,336

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	128,630	19,135	0	147,765	19,854	0	148,484	296,249
Operating Expenses	254,389	11,598	0	265,987	4,827	0	259,216	525,203
Total Costs	\$383,019	\$30,733	\$0	\$413,752	\$24,681	\$0	\$407,700	\$821,452
General Fund	383,019	30,733	0	413,752	24,681	0	407,700	821,452
Total Funds	\$383,019	\$30,733	\$0	\$413,752	\$24,681	\$0	\$407,700	\$821,452

Program Description

The General Services Program staff members are responsible for general upkeep and maintenance of the school's eight buildings and 18.5-acre campus complex

Program Highlights

General Services Major Budget Highlights	
<ul style="list-style-type: none"> The executive recommends no changes except for statewide present law 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
General Services						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 General Fund	\$ 383,019	100.0%	\$ 413,752	100.0%	\$ 407,700	100.0%
Grand Total	\$ 383,019	100.0%	\$ 413,752	100.0%	\$ 407,700	100.0%

This program is funded with general fund.

Present Law Adjustments

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Present Law Adjustments											
-----Fiscal 2006-----					-----Fiscal 2007-----						
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					25,292					26,040	
Vacancy Savings					(6,157)					(6,186)	
Inflation/Deflation					10,096					7,406	
Fixed Costs					1,502					(2,579)	
Total Statewide Present Law Adjustments					\$30,733						\$24,681
Grand Total All Present Law Adjustments					\$30,733						\$24,681

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74	29.74
Personal Services	906,663	146,396	0	1,053,059	150,025	0	1,056,688	2,109,747
Operating Expenses	99,047	4,833	0	103,880	4,930	0	103,977	207,857
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$1,005,710	\$151,229	\$0	\$1,156,939	\$154,955	\$0	\$1,160,665	\$2,317,604
General Fund	977,958	149,870	0	1,127,828	153,596	0	1,131,554	2,259,382
Federal Special	27,752	1,359	0	29,111	1,359	0	29,111	58,222
Total Funds	\$1,005,710	\$151,229	\$0	\$1,156,939	\$154,955	\$0	\$1,160,665	\$2,317,604

Program Description

The Student Services Program provides residential care for children living at the school. The residential program consists of two cottages, each having three wings connected by a food service building.

Program Highlights

Student Service Program Major Budget Highlights
<ul style="list-style-type: none"> The executive proposes no changes except statewide present law adjustments

The Student Services Program provides residential care (20-8-102, MCA) for students living at the school, which is generally about half of the student population. This program operates seven days a week around the clock, and employs 42 individuals for 29.74 FTE comprising 22 institution attendants, 5 licensed practical nurses, 7 cooks/food preparation persons, 1 computer specialist, 1 administrator, and 6 educators that are responsible for:

- Activities designed to further the student's social skills that occur during the week and weekends, and range from roller-skating to shopping
- 24-hour health care services including a disease and injury prevention program directed by a registered nurse and staffed by licensed practical nurses
- The independent living skills program designed to transition students to life after graduation, which is staffed by behavioral counselors

Whether the school uses all available cottage space depends upon the enrollment number, age and sex of students. Presently there is one unoccupied wing. However, if another middle school or high school girl enrolls, and there is no other change in the number of residents, the wing would be opened.

**LFD
COMMENT**

The school's residency program for Montana students enrolled is a free service. The school provides travel days at no cost to the parents one time each month during the school year in addition to holiday travel. Non-employee travel is budgeted at the same amount as FY 2004, \$37,700 per year.

The school has applied for federal impact aid for children from active military families participating in the residency program, but has been unsuccessful to date.

The biennial workers compensation premium of \$248,500 in this program is based upon the program's 29.74 FTE and equates to \$8,357 per FTE over the biennium.

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Student Services						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 General Fund	\$ 977,958	97.2%	\$ 1,127,828	97.5%	\$ 1,131,554	97.5%
03000 Federal Spec. Rev. Funds	<u>27,752</u>	<u>2.8%</u>	<u>29,111</u>	<u>2.5%</u>	<u>29,111</u>	<u>2.5%</u>
Grand Total	<u>\$ 1,005,710</u>	<u>100.0%</u>	<u>\$ 1,156,939</u>	<u>100.0%</u>	<u>\$ 1,160,665</u>	<u>100.0%</u>

The student services program is funded by general fund and federal funds from the national school lunch program.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				190,271					194,051
Vacancy Savings				(43,875)					(44,026)
Inflation/Deflation				4,833					4,930
Total Statewide Present Law Adjustments				\$151,229					\$154,955
Grand Total All Present Law Adjustments				\$151,229					\$154,955

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	42.94	(0.73)	0.00	42.21	(0.73)	0.00	42.21	42.21
Personal Services	1,991,225	311,058	0	2,302,283	306,373	0	2,297,598	4,599,881
Operating Expenses	136,068	(2,281)	0	133,787	(2,281)	0	133,787	267,574
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$2,127,293	\$308,777	\$0	\$2,436,070	\$304,092	\$0	\$2,431,385	\$4,867,455
General Fund	1,717,254	362,749	0	2,080,003	358,064	0	2,075,318	4,155,321
State/Other Special	341,095	(58,782)	0	282,313	(58,782)	0	282,313	564,626
Federal Special	68,944	4,810	0	73,754	4,810	0	73,754	147,508
Total Funds	\$2,127,293	\$308,777	\$0	\$2,436,070	\$304,092	\$0	\$2,431,385	\$4,867,455

Program Description

The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system.

Program Highlights

Education Program Major Budget Highlights	
<ul style="list-style-type: none"> Total funding increases \$300,000 per year over FY 2004 as follows: <ul style="list-style-type: none"> Present law adjustments in personal services and a workers compensation premium of \$124,000 per year Registration of overtime for staff A permanent reduction of .73 FTE in the statewide FTE reduction 	

The Education Program serves children enrolled at the School for the Deaf and Blind, and provides support services to public schools providing education to children qualified to attend MSDB, but who wish to remain in their local school districts. There are presently 75 students receiving "on campus" educational services.

There are 46 employees representing 42.21 FTE comprising: 9.86 teachers for the deaf and 5.11 teachers for the blind; 6.09 interpreters; 4.72 teaching assistants; 3.65 outreach consultants; 7.30 support staff; 1.00 administrator; 1.50 clerical; 0.73 librarian; 1.43 substitute teachers; 0.82 lifeguard; and 0.73 career-ed coordinator.

The following figure reflects the population served by the school in FY 2002 and FY 2004, and the estimate for FY 2006.

School for the Deaf and Blind Population Served			
Category	FY 2002	FY 2004	Projected FY 2006
Education and Evaluations	314	453	467
Consultation Services	255	301	300
Weekend and Summer Programs	206	287	320
Outreach Professional Development	785	1,377	1,795
Total Served	<u>1,560</u>	<u>2,418</u>	<u>2,882</u>

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Education						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 General Fund	\$ 1,717,254	80.7%	\$ 2,080,003	85.4%	\$ 2,075,318	85.4%
02000 State/Other Special Rev. Funds	341,095	16.0%	282,313	11.6%	282,313	11.6%
03000 Federal Spec. Rev. Funds	<u>68,944</u>	<u>3.2%</u>	<u>73,754</u>	<u>3.0%</u>	<u>73,754</u>	<u>3.0%</u>
Grand Total	<u>\$ 2,127,293</u>	<u>100.0%</u>	<u>\$ 2,436,070</u>	<u>100.0%</u>	<u>\$ 2,431,385</u>	<u>100.0%</u>

The education program is funded by general fund, state special revenue from school trust lands, rental income, and reimbursements from school districts for large print and Braille materials, federal disabled children grants, and Medicaid reimbursements.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				425,706					420,751
Vacancy Savings				(94,250)					(94,049)
Fixed Costs				(2,281)					(2,281)
Total Statewide Present Law Adjustments				\$329,175					\$324,421
DP 2 - Extracurricular Compensation									
0.00	10,930	0	0	10,930	0.00	10,930	0	0	10,930
DP 5 - Replacement Lease Vehicles									
0.00	0	0	0	0	0.00	0	0	0	0
DP 7 - Statewide FTE Reduction									
(0.73)	(31,328)	0	0	(31,328)	(0.73)	(31,259)	0	0	(31,259)
Total Other Present Law Adjustments									
(0.73)	(\$20,398)	\$0	\$0	(\$20,398)	(0.73)	(\$20,329)	\$0	\$0	(\$20,329)
Grand Total All Present Law Adjustments				\$308,777					\$304,092

DP 2 - Extracurricular Compensation - The school pays staff for supervising or coaching extracurricular activities in sports and other school functions that are contained in the collective bargaining agreement. The executive proposal of \$10,930 general fund for each year of the biennium includes \$9,234 in salaries and \$1,696 in employer paid benefits.

**LFD
COMMENT**

The overtime for FY 2002 was \$17,822 and FY 2004 was \$14,248. Overtime for the school is treated as a zero based account and is requested each year.

DP 5 - Replacement Lease Vehicles - The executive requests funds to lease a car and van to replace vehicles used by the Outreach Consultant and the school in Great Falls. The total cost for both lease vehicles is \$10,217 per year, which is offset by reductions in operating expenses. There is no increase to the 2007 biennium.

**LFD
COMMENT**

The lease cost for the car is \$5,005 per year and the van is \$5,212, for a total cost of \$10,217 per year. The total lease cost is offset by base reductions in operating expenses of gasoline at \$3,135, insurance at \$2,400, personal car mileage at \$1,004, and maintenance at \$3,678.

DP 7 - Statewide FTE Reduction - The executive recommends a statewide FTE reduction equivalent to the reductions taken in the 2005 legislative session that would permanently remove 0.73 FTE and about \$31,000 general fund per year from the budget.

**LFD
COMMENT**

During the last session the legislature approved a fund switch implemented in the preceding special session, which reduced the agency's general fund by \$56,995 each year while increasing state special revenue by the same amount, using Montana Telecommunications Access Program (MTAP) funding. MTAP funding was designated as one-time-only and concludes at the end of FY 2005. Rather than replace the funding with general fund, this decision package permanently eliminates 0.73 FTE from the education program and \$31,000 of related salary costs from the agency's general fund per year. For a further discussion of MTAP, see the Department of Public Health and Human Services in Volume 3 of this publication.